

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

845



FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
November 25, 2013

SUBJECT: Curascript for Nexplanon Etonogestrel Implant [All Districts - \$200,000]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and authorize the Sole Source of Nexplanon Etonogestrel Implant and 340B Drug Pricing Program with Curascript, without securing competitive bids, in accordance with Ordinance 459.4 not to exceed \$200,000 annually; and
2. Authorize the Purchasing Agent, to renew the contract in 12-month increments for a maximum five year contract period thru June 30, 2018.

BACKGROUND:

Summary

Nexplanon is used as a contraceptive method that can last for up to 3 years. The product is made available to patients of the Riverside County Health Care System and Riverside County Regional Medical Center. Clinicians must complete a training program offered by Merck prior to being certified to administer the implant.

Lowell Johnson
Interim CEO

Departmental Concurrence

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 100,000	\$ 200,000	\$ 200,000	\$ 200,000	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	
SOURCE OF FUNDS: Hospital Enterprise Funds				Budget Adjustment: NO	
				For Fiscal Year: FY13/14	

C.E.O. RECOMMENDATION:

APPROVE

BY:
Alex Gann

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.: _____ District: All Agenda Number: _____

3-31

Purchasing: Mark Seiler, Assistant Director

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FORM 11: Nexplanon Etonogestrel Implant [All Districts - \$200,000]

DATE: November 25, 2013

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

The benefits of Nexplanon are as follows:

- When administered correctly, the chance of getting pregnant is less than 1 pregnancy per 100 women who use Nexplanon for 1 year (more than 99% effective)
- Nexplanon is considered a long-term method because it prevents pregnancy for up to 3 years.
- Nexplanon can be easily and discretely inserted under the skin, and easily removed by trained Clinicians.
- Nexplanon is convenient for patients as it does not need to be taken daily, weekly, monthly or quarterly.

Nexplanon is manufactured by Merck. The only authorized distributors for this product are Curascript and CVS/Caremark. Curascript has a 2nd day delivery time frame for orders placed under our existing customer account.

Impact on Citizens and Businesses

Purchasing Nexplanon impacts the patients residing in Riverside County who receive care from Riverside County Regional Medical Center and the Riverside County Health Care System.

Contract History and Price Reasonableness

This is a new purchase request to establish a spending contract. The quoted price of \$325 per unit is based on the 340B Drug Pricing Program. This program requires drug manufacturers to provide outpatient drugs to eligible health care organizations at significantly reduced prices. Riverside County Regional Medical Center and Riverside County Health Care System have been identified as eligible health care organizations under the 340B program. The pricing offered is \$334.42 less than the list price of \$659.42 per unit. Curascript and CVS/Caremark offer the same pricing to RCRMC and RCHCS under the 340B Program. The purchase of products shall not exceed \$200,000 annually.

Date: November 25, 2013
From: Lowell Johnson, Interim CEO, Riverside County Regional Medical Center
To: Purchasing Agent
Subject: Sole Source Procurement; Request for: **Nexplanon (etonogestrel implant) by Merck**

The below information is provided in support of my Department requesting approval for a sole source. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

1. **Supply/Service being requested:** Nexplanon contraceptive
2. **Supplier being requested:** Curascript
3. **Alternative suppliers that can or might be able to provide supply/service:** CVS/Caremark.
4. **Extent of market search conducted:** Internet/Market Research, personal contact with manufacturer of product. The Family Care Centers have purchased this product from Curascript for several years, and have a current customer account with this vendor. Currently, Riverside County does not have a customer account or an active spending history for this product with CVS/Caremark. Curascript has a guaranteed 2nd-day delivery time-frame for orders placed under the existing customer account.
5. **Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:** Nexplanon is manufactured by Merck. The only authorized distributors for this product are Curascript and CVS/Caremark.
6. **Reasons why my department requires these unique features and what benefit will accrue to the county:** Nexplanon is used as a contraceptive method that can last for up to 3 years. The product is made available to patients of the Family Care Centers, and RCRMC. Clinicians must complete a training program offered by Merck prior to being certified to administer the implant. The benefits of Nexplanon are as follows:
 - when inserted correctly, the chance of getting pregnant is less than 1 pregnancy per 100 women who use Nexplanon for 1 year (more than 99% effective)
 - Nexplanon is considered a long-term method because it prevents pregnancy for up to 3 years
 - Nexplanon can be easily and discretely inserted under the skin, and easily removed by trained clinicians
 - Nexplanon is convenient for patients because it does not need to be taken daily, weekly, monthly, or quarterly

7. **Price Reasonableness including purchase price and any ongoing maintenance or ancillary costs from the supplier:** The quoted price of \$325.00 per unit is based on the 340B Drug Pricing Program, which requires drug manufacturers to provide outpatient drugs to eligible health care organizations at significantly reduced prices. RCRMC and Riverside County Health Care System (RCHCS) have been identified as eligible health care organizations under the 340B program. The pricing offered is \$334.42 less than the list price of \$659.42 per unit. Curascript and CVS/Caremark offer the same pricing to RCRMC and RCHCS under the 340B program.

8. **Does moving forward on this product or service further obligate the county to future similar contractual arrangements or any ongoing costs affiliated with this sole source? (Maintenance, support, or upgrades, if so, please explain).** Yes. To furthermore, grant the Purchasing Agent the authority to purchase Nexplanon without seeking competitive bids, not to exceed \$200,000.00 *Annually* through the year 2018, or until the product is no longer offered to patients, whichever comes first.

9. **Period of Performance:** Upon approval, purchases will commence for a 12-month period.

[Signature] 2 Dec 2013
 Department Head Signature Date

Purchasing Department Comments:

Approve Approve with Condition/s Disapprove

Not to exceed: \$ 200,000 One time Annual Amount through 6-30-2013

[Signature] 12-2-13 14-260
 Purchasing Agent Date Approval Number
 (Reference on Purchasing Documents)